

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30TH JUNE 2018
(The figures have not been audited).

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES (Amount / %)		CURRENT YEAR	PRECEDING YEAR	CHANGES (Amount / %)	
	30/6/2018	30/6/2017	RM'000	%	30/6/2018	30/6/2017	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	196,956	139,903	57,053	41%	646,061	525,746	120,315	23%
Operating expenses	(163,954)	(112,975)	(50,979)	-45%	(549,899)	(448,010)	(101,689)	-23%
Gross profit	33,002	26,928	6,074	23%	96,362	77,736	18,626	24%
Interest income	675	214	461	215%	1,651	1,110	541	49%
Other income	1,762	4,516	(2,754)	-61%	11,707	13,278	(1,571)	-12%
Administrative Expenses	(16,107)	(12,026)	(4,081)	-34%	(47,765)	(41,694)	(6,071)	-15%
Finance costs	(1,174)	(1,371)	197	14%	(5,199)	(5,574)	375	7%
Share of results of jointly controlled entity	(14)	(15)	1	7%	(22)	(100)	78	78%
Share of results of associated companies	293	1,367	(1,074)	-79%	2,913	1,994	919	46%
Profit before taxation	18,437	19,613	(1,176)	-6%	59,647	46,750	12,897	28%
Taxation	(5,427)	(6,832)	1,405	-21%	(17,627)	(14,972)	(2,655)	-18%
Net profit for the year	13,010	12,781	229	2%	42,020	31,778	10,242	32%
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Exchange difference on translation of foreign entity	(484)	(1,204)	720	-60%	(1,097)	(17)	(1,080)	6353%
Total comprehensive income for the year	12,526	11,577	949	8%	40,923	31,761	9,162	29%
Profit for the year attributable to:								
Owners of the parent	10,498	11,476	(978)	-9%	35,920	28,633	7,287	25%
Non-Controlling Interests	2,512	1,305	1,207	92%	6,100	3,145	2,955	94%
	13,010	12,781	229	2%	42,020	31,778	10,242	32%
Total Comprehensive income for the year attributable to:								
Owners of the parent	10,014	10,272	(258)	-3%	34,823	28,616	6,207	22%
Non-Controlling Interests	2,512	1,305	1,207	92%	6,100	3,145	2,955	94%
	12,526	1,721	949	55%	40,923	31,761	9,162	29%
Earnings per share ("EPS") (in sen)								
Basic earnings per share (sen) (Note B14)	2.62	2.87	(0.24)	-9%	8.97	7.15	1.82	25%
Diluted earnings per share (sen)	2.62	2.87	(0.24)	-9%	8.97	7.15	1.82	25%

This Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017.

HARBOUR-LINK GROUP BERHAD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION

	As at	As at
	30/6/2018	30/6/2017
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	233,027	219,601
Investment properties	5,184	5,303
Prepaid land lease payment	5,994	6,135
Land held for development	47,506	46,146
Intangible assets	-	105
Investment in jointly-controlled entity	474	583
Investment in associates	8,918	6,737
Other investments	-	652
Deferred tax assets	2,123	2,015
	303,226	287,277
Current assets		
Inventories	22,478	30,192
Trade and other receivables	140,329	130,990
Amount due from customers for contract works	7,869	1,713
Derivatives	-	969
Investment securities	31,968	41,911
Other current assets	21,124	38,255
Cash and bank balance	113,029	76,011
	336,797	320,041
TOTAL ASSETS	640,023	607,318
LIABILITIES		
Current liabilities		
Loans and borrowings	37,097	42,716
Trade and other payables	91,804	106,471
Other current liabilities	978	278
Tax payables	16,165	5,532
	146,044	154,997
Non-current liabilities		
Deferred tax liabilities	16,943	16,824
Loans and borrowings	44,739	41,487
	61,682	58,311
TOTAL LIABILITIES	207,726	213,308
NET ASSETS	432,297	394,010
EQUITY		
Share capital	200,200	200,200
Revenue reserves	175,782	147,017
Total shareholders' equity	375,982	347,217
Non-controlling interest	56,315	46,793
TOTAL EQUITY	432,297	394,010
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		
	0.94	0.87

Net assets per share attributable to owner of the Company is calculated based on the net asset attributable to equity holders of owner and the issued and paid-up share capital of the Company of 400,400,004 ordinary shares.

This Condensed Consolidated Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2018
(The figures have not been audited).

	CURRENT YEAR ENDED 30/6/2018	COMPARABLE YEAR ENDED 30/6/2017
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	59,647	46,750
Adjustments for:		
Non-operating items	1,367	(3,888)
Depreciation	24,878	23,220
Interest expense	5,199	5,574
Interest income	(1,651)	(1,110)
Share of results in associates and jointly controlled entity	(2,891)	(1,894)
Operating profit before changes in working capital	86,549	68,652
Changes in working capital:		
Decrease in inventories	7,715	2,407
Decrease/(Increase) in trade and other receivables	17,106	(9,203)
(Increase) in amount due from customers for contract works	(6,046)	(1,421)
Increase/(Decrease) in other current liabilities	700	(747)
(Decrease)/Increase in trade and other payables	(14,461)	9,079
Net cash generated from operations activities	91,563	68,767
Interest paid	(5,199)	(6,417)
Interest received	1,651	1,110
Tax paid	(17,067)	(16,689)
Net cash generated from operating activities	70,948	46,771
Cash flows from investing activities		
Purchase of property, plant and equipment	(31,726)	(28,181)
Decrease in fixed deposit pledged	445	731
Decrease in cash at bank pledged for borrowings	-	2,802
Decrease/(increase) in investment securities	9,942	(15,646)
Capital contributed by non controlling interest in subsidiary	3,999	6,868
Proceeds from disposal of investment in associate	-	15
Dividend received	332	238
Net cash inflow disposal of subsidiary	381	(5)
Proceeds from disposal of property, plant and equipment	3,695	4,218
Net cash used in investing activities	(12,932)	(28,960)
Cash flows from financing activities		
Dividend paid	(6,636)	(8,362)
Net proceeds from borrowings	5,994	(15,404)
Net repayment of lease payables	(9,297)	(12,500)
Net cash used in financing activities	(9,939)	(36,266)
Net increase/(decrease) in cash and cash equivalents	48,077	(18,455)
Cash and cash equivalents at beginning of period	58,619	77,074
Cash and cash equivalents at end of period	106,696	58,619

Cash and cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	113,032	76,011
Bank Overdraft	(2,473)	(13,176)
Cash at bank pledged as securities for bank borrowings	(85)	(220)
Short term deposits pledged as securities for bank borrowings	(3,778)	(3,996)
	<u>106,696</u>	<u>58,619</u>

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 12 MONTHS ENDED 30TH JUNE 2018
 (The figures have not been audited).

	ATTRIBUTABLE TO EQUITY HOLDERS OF COMPANY							NON-CONTROLLING INTEREST RM'000
	TOTAL EQUITY RM'000	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	SHARE CAPITAL RM'000	NON-DISTRIBUTABLE FOREIGN CURRENCY TRANSLATION RESERVE RM'000	OTHER RESERVE RM'000	DISTRIBUTABLE RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000		
12 MONTHS ENDED 30TH JUNE 2018								
At 1 July 2017	394,011	347,218	200,200	2,657	(62,945)	207,306	46,793	
Capital contributed by Non Controlling Interest in Subsidiary	3,999	-	-	-	-	-	3,999	
Capitalization of Bonus Issue	-	-	-	-	-	-	-	
Dividends on ordinary shares	(6,636)	(6,059)	-	-	-	(6,059)	(577)	
Total comprehensive income for the period	40,923	34,823	-	(1,097)	-	35,920	6,100	
At 30 JUNE 2018	432,297	375,982	200,200	1,560	(62,945)	237,167	56,315	
12 MONTHS ENDED 30TH JUNE 2017								
At 1 July 2016	363,743	326,609	200,200	2,674	(62,945)	186,680	37,134	
Capital contributed by Non Controlling Interest in Subsidiary	6,868	-	-	-	-	-	6,868	
Dividends on ordinary shares	(8,362)	(8,008)	-	-	-	(8,008)	(354)	
Total comprehensive income for the period	31,761	28,616	-	(17)	-	28,633	3,145	
At 30 JUNE 2017	394,010	347,217	200,200	2,657	(62,945)	207,305	46,793	

Remarks:

This Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017.

Harbour-Link Group Berhad (Company No: 592902-D)

Part A – NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

A1. *Basis of Preparation*

The interim financial report is unaudited and has been prepared in accordance with the requirement of Chapter 9, Disclosure, Paragraph 9.22 of the Main Market Listing Requirement (“LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”), and should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2017.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30th June 2017 except for the following MFRSs, IC interpretation and Amendments which the Company adopted which mandatory for annual periods beginning on or after 1st July 2017 :

The following Standards were issued but not yet effective and have not been adopted by the Group.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Annual Improvements to MFRS/FRS 1 “First-time Adoption of Malaysian Financial Reporting Standards”	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4 “Applying MFRS/FRS 9 “Financial Instruments” with MFRS 4 “Insurance Contracts”	1 January 2018
Annual Improvements to MFRS 128 “Investments in Associates and Joint Venture”	1 January 2018
Amendments to MFRS 140 “Clarification on ‘Chang in Use’ – Assets transferred to or from Investment Properties”	1 January 2018
IC Interpretation 22 “Foreign Currency Transactions and Advance Consideration”	1 January 2018
MRFS 9 “Financial Instruments”	1 January 2018
MFRS 15 “Revenue form Contracts with Customer”	1 January 2018

Harbour-Link Group Berhad (Company No: 592902-D)

MFRSs and Amendments to MFRSs issued but not yet effective

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
<ul style="list-style-type: none">• MFRS 3 “Business Combinations• MRS 11 “Joint Arrangements”• MFRS 112 “Income Taxes”• MFRS 123 “Borrowing Costs”	
Amendments to MFRS 9”Prepayemnt Features with Negative Compensation”	1 January 2019
Amendments to MFRS 128 “Long -term Interests In Associates and Joint Ventures”	1 January 2019
MFRS 16 : “Leases”	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019

The Directors expect that the adoption of the above standards and interpretations will either not relevant or do not have impact on the financial statements in the year of initial application except for MFRS 9, MFRS 15 and MFRS 16. The adoption of these new standards may result in change in accounting policies for which the effect of adopting will be quantifies when the standards are effective.

A2. Report of the Auditors to the Members of Harbour-Link

The reports of the auditors to the members of Harbour-Link Group Bhd on the financial statements for the financial year ended 30 June 2017 were not subject to any qualification and did not include any adverse comments made under subsection (3) of Section 174 of the Companies Act, 1965.

A3. Seasonality or Cyclical of Interim Operations

The Group’s results are not materially affected by any seasonal or cyclical factors.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence during current quarter and financial year ended 30th June 2018.

Harbour-Link Group Berhad (Company No: 592902-D)

A5. Material Effect of Changes in Estimates of Amounts Reported in Prior Interim Periods or Prior Financial Years

There were no changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect on results for the current financial year under review.

A6. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year ended 30th June 2018.

A7. Dividend Paid

No dividend was paid in the current quarter.

Harbour-Link Group Berhad (Company No: 592902-D)

A8. Segment Information (Cont'd)

The Group's financial information analysed by business segment is as follows:

Financial year to date 30 June 2018	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
REVENUE							
Revenue from external sales	-	394,559	187,054	52,855	11,593	(28,008)	646,061
Inter-segment sales	3,749	14,231	10,028	-	-	-	-
	3,749	408,790	197,082	52,855	11,593	(28,008)	646,061
RESULTS							
Profit before taxation from the normal operations	(4,261)	26,819	30,502	3,246	2,649	692	59,647
Profit before taxation includes:							
Amortisation of prepaid land lease payment	160	14	157	-	-	-	331
Compensation and penalty	1,654	-	-	-	-	-	1,654
Impairment of assets	-	652	-	232	-	-	884
Depreciation to investment properties	62	-	145	3	-	-	210
Depreciation	477	9,101	14,184	390	185	-	24,337
Finance cost	238	2,077	2,580	295	9	-	5,199
Impairment of trade receivables	92	2,293	446	29	-	-	2,860
Reversal of trade receivables	-	(631)	(1,074)	-	-	-	(1,705)
Share of profit / (loss) in jointly controlled entities and profits in associates		2,913	(22)	-	-	-	2,891

Harbour-Link Group Berhad (Company No: 592902-D)

A8. Segment Information (Cont'd)

The Group's financial information analysed by business segment is as follows:

Financial year to date 30 June 2018	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
SEGMENT ASSETS	69,348	212,497	239,657	79,326	79,246	(42,174)	637,900
Deferred tax assets	-	1,201	416	-	506	-	2,123
TOTAL ASSETS	69,348	213,698	240,073	79,326	79,752	(42,174)	640,023
Included in measure of segment assets are:							
Investment in associates		9,555					8,918
Investment in jointly controlled entities			474				474
Additional to property, plant and equipment	106	3,950	20,317	1,936	5,417		31,726
SEGMENT LIABILITIES	32,100	100,449	95,107	12,162	13,904	(62,939)	190,783
Deferred tax liabilities	85	4,898	9,572	2,342	46	-	16,943
TOTAL LIABILITIES	32,185	105,347	104,679	14,504	13,950	(62,939)	207,726

Harbour-Link Group Berhad (Company No: 592902-D)

A8. Segment Information (Cont'd)

The Group's financial information analysed by business segment is as follows:

Financial year to date 30 June 2017	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
REVENUE							
Revenue from external sales	-	334,801	146,032	34,462	10,451		525,746
Inter-segment sales	2,635	25,759	10,257	-	132	(38,783)	-
	<u>2,635</u>	<u>360,560</u>	<u>156,289</u>	<u>34,462</u>	<u>10,583</u>	<u>(38,783)</u>	<u>525,746</u>
RESULTS							
Profit before taxation from the normal operations	(3,098)	19,975	29,049	(177)	1,099	(98)	46,750
Profit before taxation includes:							
Amortisation of prepaid land lease payment	43	101	158				302
Depreciation to investment properties	-	64	145	-	-	-	209
Depreciation	332	8,898	13,084	363	161	-	22,838
Impairment loss on property, plant, and equipment	-	2,108	-	-	-	-	2,108
Finance cost	374	1,258	2,651	324	967	-	5,574
Impairment of trade receivables	-	1,038	479	-	-	-	1,517
Reversal of trade receivables	-	(1,013)	(746)	-	-	-	(1,759)
Share of profits/(loss) in jointly controlled entities and associates		1,995	(100)				1,895

Harbour-Link Group Berhad (Company No: 592902-D)

The Group's financial information analysed by business segment is as follows:

Financial year to date 30 June 2017	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
SEGMENT ASSETS	71,306	234,823	238,707	74,751	82,904	(97,188)	605,303
Deferred tax assets	-	852	474	-	689	-	2,015
TOTAL ASSETS	71,306	235,675	239,181	74,751	83,593	(97,188)	607,318
Included in measure of segment assets are:							
Investment in associates		6,737					6,737
Investment in jointly controlled entities			583				583
Additional to property, plant and equipment	63	841	21,879	6,409	4,431		33,623
SEGMENT LIABILITIES	32,762	99,463	99,201	9,298	26,540	(70,780)	196,484
Deferred tax liabilities	537	4,168	10,037	2,012	69	-	16,823
TOTAL LIABILITIES	33,299	103,631	109,238	11,310	26,609	(70,780)	213,307

Harbour-Link Group Berhad (Company No: 592902-D)

A9. Property, Plant and Equipment

There was no valuation on property, plant and equipment during the current quarter and financial year ended 30th June 2018

A10. Significant Post Balance Sheet Event

There are no material events as at 20 August 2018, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the current financial year under review.

A11. Changes in Composition of the Group

Save for the below, there were no changes in composition of the Group during the current financial year ended 30 June 2018:

1. On 4th June 2018, Harbour-Link Lines Sdn. Bhd. (“HLLSB”), a subsidiary of Harbour-Link, has incorporated a wholly-owned subsidiary under the name of Harbour-Link Lines Limited. (“HLLL”) in Hong Kong. HLLL was incorporated with an issued and fully paid-up share capital of HKD500,000.00 divided into 500,000 ordinary share of HKD1.00 each.

A12. Contingent Liabilities

There was no material contingent assets and liabilities since the last annual balance sheet date to the date of this report.

A13. Capital Commitments

	30 June 2018	30 June 2017
	RM'000	RM'000
Capital expenditure		
Authorised and contracted for	11,117	12,498
	<u> </u>	<u> </u>

Harbour-Link Group Berhad (Company No: 592902-D)

A14. Related Party Transactions

Related parties are those defined under MFRS 124: Related Party Disclosures. The Directors are of the opinion that the related party transactions and balances described below are carried out in the ordinary course of business and on commercial terms that are no more favourable than those available to other third parties.

	Current Quarter ended 30 June 2018 RM'000	Balance due from/(to) As at 30 June 2018 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	161	136
Purchase of goods and services	850	(1,428)
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Harbour-Link Group Berhad (Company No: 592902-D)

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

B1. Review of the Performance of the Group

	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>30/06/2018</u>	<u>30/06/2017</u>	<u>RM'000</u>	<u>%</u>	<u>30/06/2018</u>	<u>30/06/2017</u>	<u>RM'000</u>	<u>%</u>
Revenue	196,956	139,903	57,053	41%	646,061	525,746	120,315	23%
Profit Before								
Interest and Tax	19,611	20,984	(1,373)	(6%)	64,846	52,324	(12,522)	(24%)
Profit Before Tax	18,437	19,613	(1,176)	(6%)	59,647	46,750	12,897	28%
Profit After Tax	13,010	12,781	229	2%	42,020	31,778	10,242	32%
Profit attributable to Owners of the parent	10,498	11,476	(978)	(9%)	35,920	28,633	7,287	25%

The Group posted revenue of RM646.06 million for the current financial year ended 30 June 2018, which is RM120.31 million or 23% higher than the preceding financial year of RM525.75 million. The profit before tax for the current financial year ended 30 June 2018 is RM59.65 million, which is RM12.90 million or 28% higher than the preceding financial year of RM46.75 million.

The interest income for the current financial year ended 30 June 2018 is RM1.65 million ie 49% higher than the preceding financial year of RM1.11 million. The increase in the interest is due to increase investment securities from RM10 million to RM27 million for the current financial year as compared to preceding financial year.

For management purposes, the Group is organized into business units based on their product and services, and has following operating segments:

Continuing operations

- The shipping and marine segment comprises of ship owners unit, ship operator unit and agency unit.
- Integrated logistic segment comprises of transport unit, heavy equipment and heavy lifting unit and freight forwarding unit.
- Engineering segment
- Property segment
- Other operations mainly consist of investment, management services and treasury services.

Harbour-Link Group Berhad (Company No: 592902-D)

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

BI. Review of the Performance of the Group

Shipping and marine segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>30/06/2018</u>	<u>30/06/2017</u>	<u>RM'000</u>	<u>%</u>	<u>30/06/2018</u>	<u>30/06/2017</u>	<u>RM'000</u>	<u>%</u>
Revenue	96,346	96,479	(133)	0%	394,559	334,801	59,758	18%
Profit Before Interest and Tax	6,523	4,276	2,247	52%	26,459	19,925	6,534	33%
Profit Before Tax	6,170	6,058	1,817	30%	26,819	19,975	6,844	34%
Profit After Tax	4,963	5,646	613	11%	19,362	15,512	3,850	25%
Profit attributable to Owners of the parent	3,336	5,136	(1,139)	(22%)	15,846	13,383	2,463	18%

The shipping and marine segment recorded revenue of RM394.56 million which is RM59.76 million or 18% higher than the preceding financial year ended 30 June 2017 of RM334.80 million. The increase in the revenue by 18% is due to higher volume of cargo handled. The profit before tax has increased by RM6.84 million or 34% mainly due to better profit contribution from the higher recorded revenue.

Integrated logistics segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>30/06/2018</u>	<u>30/06/2017</u>	<u>RM'000</u>	<u>%</u>	<u>30/06/2018</u>	<u>30/06/2017</u>	<u>RM'000</u>	<u>%</u>
Revenue	86,029	30,144	55,885	185%	187,054	146,031	41,023	28%
Profit Before Interest and Tax	11,995	12,227	(232)	(2%)	33,042	31,708	1,334	4%
Profit Before Tax	11,380	11,709	(329)	(3%)	30,502	29,049	1,453	5%
Profit After Tax	8,597	7,719	878	11%	23,014	21,156	1,858	9%
Profit attributable to Owners of the parent	7,432	6,331	1,101	17%	21,806	19,864	1,942	10%

The integrated logistics segment recorded revenue of RM187.05 million which is RM41.02 million or 28% higher than the preceding financial year ended 30 June 2017 of RM146.03 million. The profit before tax has increased by RM1.45 million or 5% even though the revenue has increase by 28%. The revenue has increased significantly due to recognition of revenue from the completion of the delivery and commissioning of one project in POIC Sabah during the financial year under review.

However, the profit before tax has increased marginally as compared to preceding financial year notwithstanding the recognition of reversal of impairment of RM3.53 million due to successful the collection of a major debt which was impaired in prior years.

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Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

B1. Review of the Performance of the Group

Engineering segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/6/2018	30/06/2017	RM'000	%	30/6/2018	30/06/2017	RM'000	%
Revenue	14,448	9,211	5,237	57%	52,854	34,462	18,392	53%
Profit/(Loss) Before Tax and Interest	2,032	(1,744)	3,776	216%	3,542	193	3,349	1735%
Profit/(Loss) Before Tax	1,958	1,988	30	1%	3,246	(177)	3,423	1,934
Profit/(Loss) After Tax	1,737	1,593	144	9%	2,570	(578)	3,148	545%
Profit/(Loss) attributable to Owners of the parent	1,737	1,593	144	9%	2,570	(578)	3,148	545%

The engineering segment recorded revenue of RM52.85 million which is RM18.39 million or 53% higher than the preceding financial year ended 30 June 2017 of RM34.46 million. The profit before tax is RM3.25 million as compared to a loss before tax of RM0.18 million or 1,934% higher than the preceding financial year due to the current project in hands has reached the advance stage of completion.

Property segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/6/2018	30/06/2017	RM'000	%	30/6/2018	30/06/2017	RM'000	%
Revenue	132	4,070	(3,938)	(97%)	11,593	10,451	1,142	11%
Profit/(Loss) Before Tax and Interest	454	(1,375)	1,829	133%	3,758	1,739	2,019	116%
Profit/(Loss) Before Tax	274	(1,164)	1,438	123%	2,649	1,099	1,550	141%
Profit/(Loss) After Tax	419	(1,876)	2,295	122%	1,879	(562)	2,441	434%
Profit/(Loss) attributable to Owners of the parent	214	(1,601)	1,815	113%	958	(287)	1,245	434%

The property development division recorded revenue of RM11.59 million which is RM1.14 million or 11% higher than the preceding financial year 30 June 2017 of RM10.45 million. The profit before tax is RM2.65 million which is RM1.55 million or 141% higher due to sales of the completed units of the Phase 1 and Phase 2 of the Kidurong Gateway projects.

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B1. Review of the Performance of the Group (Cont'd)

Investment <u>Holding</u>	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>30/6/2018</u>	<u>30/06/2017</u>	<u>RM'000</u>	<u>%</u>	<u>30/6/2018</u>	<u>30/06/2017</u>	<u>RM'000</u>	<u>%</u>
Revenue	-	-	-	-	-	-	-	-
Loss Before Tax and Interest	(1,654)	(454)	(1,200)	(264%)	(3,129)	(1,217)	(1,912)	(157%)
Loss Before Tax	(1,948)	(1,089)	(859)	(79%)	(4,261)	(3,098)	(1,163)	(37%)
Loss After Tax	(948)	(1,268)	320	25%	(3,239)	(3,651)	421	11%
Loss attributable to Owners of the parent	(948)	(1,268)	320	25%	(3,021)	(3,651)	630	17%

The investment holdings recorded a loss before tax of RM4.26 million a increase of RM1.16 million or 37% higher than the preceding financial year 30 June 2017 of loss before tax of RM3.1 million. The increase in the loss for the year under review is due to one off tax penalty of RM1.65 million.

B2. Comparison with Preceding Quarter's Results

	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000 <u>30/06/2018</u>	RM'000 <u>31/03/2018</u>	<u>RM'000</u>	<u>%</u>
Revenue	196,956	142,198	54,758	38%
Profit Before Tax and Interest	19,611	10,644	8,967	84%
Profit Before Tax	18,437	10,415	8,022	77%
Profit After Tax	13,010	6,756	6,254	92%
Profit attributable to Owners of the parent	10,498	6,107	4,391	72%

The Group posted revenue of RM196.96 million for the current quarter ended 30 June 2018 which is RM54.76 million higher than the immediate preceding quarter ended 31 March 2018 of RM142.20 million. The profit before tax for the current quarter ended 30 June 2018 is RM18.44 million, which is RM8.02 million higher than the immediate preceding quarter ended 31 March 2018 of RM10.41 million.

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B2. Comparison with Preceding Quarter's Results (Cont'd)

<u>Shipping and marine segment</u>	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000 <u>30/06/2018</u>	RM'000 <u>31/03/2018</u>	RM'000	%
Revenue	96,346	87,937	8,409	10%
Profit Before Tax and Interest	6,523	5,402	1,121	21%
Profit Before Tax	6,170	5,936	234	4%
Profit After Tax	4,963	3,863	1,100	28%
Profit attributable to Owners of the parent	3,336	3,246	90	3%

The shipping and marine segment posted an increase in revenue of RM8.41 million or 10% in the current quarter ended 30 June 2018 of RM96.35 million as compared to RM87.94 million in the immediate preceding quarter ended 31 March 2018. The increase in the revenue and profit before tax is due to higher volume of cargo handled before the Gawai season.

<u>Integrated logistics segment</u>	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000 <u>30/06/2018</u>	RM'000 <u>31/03/2018</u>	RM'000	%
Revenue	86,029	35,840	50,189	140%
Profit Before Interest and Tax	11,995	5,375	6,620	123%
Profit Before Tax	11,380	4,710	6,670	142%
Profit After Tax	8,597	3,087	5,510	178%
Profit attributable to Owners of the parent	7,432	3,335	4,097	123%

The integrated logistics segment posted increase in revenue of RM50.19 million in the current quarter ended 30 June 2018 of RM86.03 million or 140% as compared to RM35.84 million in the immediate preceding quarter ended 31 March 2018. The profit before tax for the current quarter ended 30 June 2018 is RM11.38 million, which is RM6.67 million or 142% higher than the immediate preceding quarter ended 31 March 2018 of RM4.71 million. The increase in profit before tax in the current quarter is mainly due to recognition of revenue and profit from the completion of the delivery and commissioning of one project in POIC Sabah during the financial year under review.

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B2. Comparison with Preceding Quarter's Results (Cont'd)

	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
	30/06/2018	Quarter	RM'000	%
		RM'000		
		31/03/2018		
<u>Engineering segment</u>				
Revenue	14,448	16,965	(2,517)	(15%)
Profit Before Interest and Tax	2,032	802	1,230	153%
Profit Before Tax	1,958	730	1,228	168%
Profit After Tax	1,737	523	1,214	232%
Profit attributable to Owners of the parent	1,737	523	1,214	232%

The engineering segment posted a decrease in revenue of RM2.52 million or 15% in the current quarter ended 30 June 2018 of RM14.45 million as compared to RM16.96 million in the immediate preceding quarter ended 31 March 2018. The increase in profit before tax of RM1.23 million or 168% in the current quarter ended 30 June 2018 of RM1.96 million as compared to RM0.73 million is due to the most of the contracts are at the tail end of the projects.

	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
	30/06/2018	Quarter	RM'000	%
		RM'000		
		31/03/2018		
<u>Property segment</u>				
Revenue	132	1,454	(1,322)	(91%)
Profit Before Interest and Tax	454	307	147	48%
Profit Before Tax	274	64	210	328%
Profit After Tax	419	(109)	528	484%
Profit attributable to Owners of the parent	214	(56)	270	482%

The property segment posted a decrease in revenue of RM1.32 million in the current quarter ended 30 June 2018 of RM0.13 million as compared to RM1.45 million in the immediate preceding quarter ended 31 March 2018. The profit before tax for the current quarter ended 30 June 2018 is RM0.27 million, which is RM0.21 million higher than the immediate preceding quarter ended 31 March 2018 of RM0.06 million.

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B2. Comparison with Preceding Quarter's Results (Cont'd)

<u>Investment holding segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
	<u>30/06/2018</u>	Quarter	<u>RM'000</u>	<u>%</u>
		<u>31/03/2018</u>		
Revenue	-	-	-	-
Loss Before Interest and Tax	(1,654)	(666)	(988)	(148%)
Profit Before Tax	(1,984)	(962)	(1,022)	(106%)
Profit After Tax	(948)	(836)	(112)	13%
Profit attributable to Owners of the parent	(948)	(836)	(112)	13%

The investment holdings recorded a loss before tax of RM1.98 million an increase of RM1.02 million or 106% in the immediate preceding quarter ended 31 March 2018 of RM0.96 million. The increase in the loss for the year under review is due to one off tax penalty of RM1.65 million.

B3. Prospects

The local Malaysian market is expected to stabilize after GE14. Oil and gas industries have begun of recovery due to higher world oil prices. Our Group's engineering and construction and logistics sectors may benefit from the new work orders from oil and gas sectors.

The world market is very uncertain due to the recent trade war between USA and China and the rest of the world which may create turmoil in the world economic and financial activities. Our Group is cautious and alert on the development and careful on every move that we make.

Hence, our Group is cognizant of the industry that we are participating and should maintain the Group's market share and strengthening on core competencies and step up efforts in corporate strategies of clientele development and service innovation as a differentiation factor in the competitive operating environment.

Going forward, the Group will continue seeking new business opportunities, focus on operational efficiency and cost control effectiveness to better contend with competition.

We shall expect to deliver a favorable growth with results in the coming year.

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B4. Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B5. Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Year	Preceding Financial Year
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the year is stated after charging/ (crediting):				
Interest income	(675)	(214)	(1,651)	(1,110)
Impairment of assets	884	2,108	884	2,108
Compensation and penalty	1,654	-	1,654	-
Amortisation of prepaid land lease payment	82	53	330	301
Depreciation of plant and equipment	6,207	5,783	24,337	22,838
Depreciation to investment properties	52	52	209	209
Finance cost	1,174	1,371	5,199	5,574
(Reversal) of impairment of receivables, net of allowance	1,160	1,695	1,155	(242)

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B6. Taxation

Taxation of the Group comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Year	Preceding Financial year
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	5,833	4,680	14,181	12,197
Under provision for prior years	466	-	3,466	-
Deferred tax expense: Origination and reversal of temporary difference	(872)	2,152	(20)	2,775
	<u>5,427</u>	<u>6,832</u>	<u>17,627</u>	<u>14,972</u>

Taxation of the Group comprises the following:

The effective tax rate of the Group for the current quarter and current year was at effective tax rate of 24%.

B7. Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investment and/or properties during the current quarter and financial year ended 30 June 2018.

B8. Investment in Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial year ended 30 June 2018.

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B9. Status of Corporate Proposal

There were no pending corporate proposals up to 20 August 2018, being the date not earlier than 7 days from the date of this announcement.

B10. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2018 and 30 June 2017 are as follows:

	As at 30 June 2018		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	7,670	28,046	35,716
Bank Overdraft	2,473	-	2,473
Finance Lease Liabilities	10,854	16,693	27,547
	<u>20,997</u>	<u>44,739</u>	<u>65,736</u>
Unsecured			
Bankers' Acceptance	4,780	-	4,780
Revolving Credit	11,320	-	11,320
	<u>16,100</u>	<u>-</u>	<u>16,100</u>
	<u>37,097</u>	<u>44,739</u>	<u>81,836</u>

The Group's borrowings as at 30 June 2018 and 30 June 2017 are as follows:

	As at 30 June 2017		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	6,654	26,607	33,261
Bank Overdraft	13,176	-	13,176
Finance Lease Liabilities	10,318	14,880	25,198
	<u>30,148</u>	<u>41,487</u>	<u>71,635</u>
Unsecured			
Bankers' Acceptance	4,348	-	4,348
Revolving Credit	8,220	-	8,220
	<u>12,568</u>	<u>-</u>	<u>12,568</u>
	<u>42,716</u>	<u>41,487</u>	<u>84,203</u>

The above borrowings are denominated in Ringgit Malaysia.

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B11. Off Balance Sheet Financial Instruments

During the financial year to-date, the Group did not enter into any contracts involving off balance sheet financial instruments. There are no financial instruments with off balance sheet risks as at 20 August 2018, being the date not earlier than 7 days from the date of this announcement.

B12. Changes in Material Litigation

There are no changes in material litigation since the last annual balance sheet date till 20 August 2018 being the date not earlier than 7 days from the date of this announcement.

B13. Dividend declared

No dividend was declared for the current quarter and financial year ended 30 June 2018.

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B14. Earnings per Share

Basic earnings per share

The basic earnings per share for the current quarter and financial year ended 30 June 2018 is calculated by dividing the Group's profit for the year, net of tax, attributable to owners of the parent for the current quarter of RM10,498,000 and financial year of RM35,920,000 by the number of ordinary shares in issue during the current quarter and financial year ended 30 June 2018 of 400,400,004.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Year	Preceding Financial Year
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Earnings Per Share	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit net of tax attributable to Owners of the parent (in RM)	10,498	11,476	35,920	28,633
Weighted average number of ordinary shares in issue ("000)	400,400	400,400*	400,400	400,400*
Basic earnings per share (sen)	2.62	2.87	8.97	7.15
Diluted earnings per share (sen)*	2.62	2.87	8.97	7.15

*The diluted earnings per share of the Group is similar to the basic earnings per share as the assumed conversion from the exercise of warrants would be anti-dilutive.

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B15. Provision of Financial Assistance

The financial assistance provided by the Company and its subsidiaries to its non wholly-owned subsidiaries as at 30 June 2018 pursuant to paragraph 8.23(1) of the Listing Requirements.

	30 June 2018	31 March 2018
	RM'000	RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	15,526	20,549
	<u> </u>	<u> </u>

The Provision of Financial Assistance will not have any material effect on the net assets, earnings per share, gearing, the share capital and substantial shareholders' shareholding of Harbour-Link for the financial period ended 30 June 2018.

This announcement is dated 27 August 2018.